

4 DEC 1970

Boston (Mass.) STAT

Approved For Release 2004/09/03 : CIA-RDP88-01314R000100160013-4

Rumors circulate

Harold E. Clancy, president of WHDH, values Channel 5 at \$60 million. He says it produces the "great bulk" of the corporation's earnings. At the same time, he declines to say whether the Herald Traveler is making a profit. He denies emphatically that the newspaper would be forced out of business.

Meanwhile, rumors have begun to circulate that at least two major newspaper chains have expressed an interest in the Herald Traveler. So far, it is indicated, these talks have been fruitless.

While the Channel 5 struggle has gone on, the Boston Globe has moved far ahead in the battle for advertising linage and circulation.

Last year the Globe captured 22.8 million lines of advertising, while the Herald Traveler obtained 15.9 million lines, and the Record American, 9 million.

The Globe's share of the market has increased steadily over the past decade, while the Herald Traveler's advertising linage is today slightly less than the combined volume in 1960 of the morning Boston Herald and the afternoon Boston Traveler. The papers merged in 1967.

The Herald Traveler first applied for the television license through its WHDH subsidiary in 1953. In 1957, WHDH-TV was granted a temporary license. This came out of an FCC reversal of a decision by one of its examiners who had decided to grant the license to another applicant.

Reasons cited

In doing so, the FCC cited reasons, such as "public interest," which in 1969 was part of the reason for taking the license away from WHDH.

In the first instance, the FCC set aside its "diversification" policy (meant to avoid concentrations of broadcast outlets). In the second ruling, the application by Boston Broadcasters was said to better fill the bill of diversifying the Boston media.

But in the years between these two actions, Boston's media have become less diverse.

In 1957 there were two more newspapers in Boston than there are now. In 1961 the Boston Daily Record and the Evening American became the Record American.

As part of the national trend of newspapers consolidating or going out of business, two other Boston dailies have folded in the past 30 years: the 125-year-old Boston Post in 1956 and the 111-year-old Boston Transcript in 1941.

Circulation figures

In the past 50 years, the number of dailies in the country has nosed down 14 percent, while circulation has more than doubled to 62 million.

In Boston, daily circulation figures for 1969 showed the morning and evening Globe leading with a total 437,692; Record American, 418,800; and Herald Traveler, 217,678.

WHDH:

TV split could hit newspaper

By Richard W. McManus

Staff writer of The Christian Science Monitor.

Boston

Some ticklish questions about the future of newspapers in Boston have been raised by the federal decision to split the Boston Herald Traveler away from television Channel 5.

The ruling was meant to diversify the Boston news media—that is, to develop independent voices in print and on the airwaves.

But will it?

First the courtroom issue must finally be settled. On Monday WHDH, Inc., the Herald Traveler subsidiary which is using Channel 5, asked the United States Court of Appeals in Washington to reconsider its decision giving the channel to a rival applicant, Boston Broadcasters, Inc.

In a 14-page petition, WHDH, which has operated Channel 5 for 13 years, asked a full-bench rehearing. The petition asserts, among other things, that the court had failed to consider "serious constitutional questions" raised by the case.

In less legal but more practical terms, the question raised in Boston is that without Channel 5, a prime source of income, the Boston Herald Traveler could find itself in serious financial shape.

Dominance seen growing

Add to this the growing dominance of the morning Boston Globe, which also produces the city's only evening newspaper, and the diversity of the written word in Boston obviously is diminishing. The Globe has also been drawing the lion's share of advertising linage.

Louis M. Lyons, veteran TV commentator and former curator of the Nieman Foundation at Harvard University, says the effect all these developments could have on Boston journalism is "anybody's guessing game."

Mr. Lyons said in an interview: "It's inevitable they [WHDH] will lose [the case] sometime."

He anticipates that within a year WHDH will have exhausted all avenues of appeal and that the Supreme Court of the United States "would refuse to take it on."

The Globe continued to pick up readers and advertising dollars in the past 15 years, despite its expressed concern that the Herald Traveler's ownership of a television station would cause the opposite to occur.

In 1956, when it appeared likely that WHDH would gain the license, the Globe charged that Channel 5 would be operated to further the interests of the Herald Traveler rather than the public interest—and to "drive [the Globe] out of business."

The Herald Traveler rejoined that such charges were designed to stall the FCC decision and thus protect the Globe's Boston-area market longer from further television penetration.

Three years after WHDH first gained its temporary license, it lost it. In 1960 a charge of improper influence in gaining it resulted in the license being withdrawn by the FCC. The company immediately appealed the decision. A final decision has not yet been rendered, but WHDH still is broadcasting from Channel 5.